

Livingstone Landowners Group

Information Summary for Coal Policy Committee

Follow Up to July 13, 2021 Presentation

Overview

The Eastern Slopes of the Rocky Mountains are the source for more than 90% of the water flowing east in the Saskatchewan River Basin. This water supports in excess of three million people and is critical to human health and to the long-term economic viability of Alberta and the Prairies.

The importance of the Eastern Slopes for water supply has been recognized since the 1880s, as noted in early Dominion Forester reports. Multiple studies and public consultation exercises over the past 50 years have shown that Albertans greatly value the East Slopes for water supply and recreation. This was enshrined in the provincial Eastern Slopes policy (Land Use and Resource Development in the Eastern Slopes) in 1974. The 1976 Coal Policy, while far from perfect restricted open pit coal mining from key areas in the Eastern Slopes. Since then, the region has been further protected under the South Saskatchewan Regional Plan, plans for the Livingstone-Porcupine Hills area, and others. That intended protection was erased with revocation of the Coal Policy in May 2020.

Alberta's plans to open up the region to coal development were communicated to Australian miners several months before Albertans were informed. When the policy was rescinded, coal mining interests promptly leased more than 186,000 ha for coal exploration and potential development. Many leases were finalized within days and permits for exploration were issued virtually immediately, often the same day as application. There was no opportunity for public comment or internal review.

A loud public outcry followed, including about 25,000 responses to a government survey on coal development in the East Slopes. There was a slow reaction by government and some of the changes were paused, culminating in the appointment of the Coal Policy Committee in spring 2021, with their report anticipated in late fall.

The Grassy Mountain Project

The Grassy Mountain Joint Review Panel (JRP) process overlaps the Coal Policy change. Benga Mining filed a project application in 2015 and submitted a dozen Addendums to their initial Environmental Impact Assessment (EIA). The JRP held hearings in fall 2020, and in June of 2021 issued its recommendation to deny the project. Groups opposed to the mine, including Livingstone Landowners Group (LLG), presented expert evidence showing serious deficiencies in many aspects of the EIA. (Selenium cannot be controlled for decades, wind modelling was wrong, there are

serious human health risks from coal dust, the risk assessment was flawed and proposed mitigations inadequate).

Benga's human health assessment relied solely on theoretical modelling and ignored the epidemiological evidence from Appalachia, which is documented in over 30 papers by Michael Hendryx and his collaborators.

The panel recommendation, and the subsequent decision by the federal cabinet to deny the project are very significant and should weigh heavily in this panel's policy considerations. Benga has attempted to portray Grassy Mountain as a relatively benign project. But the 680-page JRP report clearly demonstrates that the consequences of allowing Benga's Grassy Mountain Mine (or presumably any other coal mine) in the Eastern Slopes watershed and highly sensitive ecosystems would have extremely negative and irreversible consequences.

It should not be necessary to continue, on a project-by-project basis, to conduct such costly and time-consuming regulatory processes to stop future coal mining in an area that Albertans have sought to protect for more than a century. Policy and supporting regulations should clearly preclude any possibility of coal mining in the Eastern Slopes.

Independent Research and Real Life Experience

Since the JRP process concluded, there has been significant privately funded research on the probable future impacts if the coal mines are allowed to proceed. The independent water study commissioned by LLG determined, amidst other findings, that:

- If Grassy and Tent Mountain proceed they will displace rock with a volume equivalent to 1.2 times the volume of Crowsnest Mountain.
- If all eight currently proposed mines proceed, they will displace more than five times the volume of Crowsnest Mountain.
- If water quality in the upper headwaters is to meet current guidelines, the mines will need to capture >99% of the selenium that will leach out of the waste rock. To keep selenium levels within the guidelines at Lethbridge, selenium capture will need to be >90%. A study by Golders Assoc (a prominent mining consulting firm) for the Mining Institute shows that no technology has yet met those standards in a real world scenario.

Furthermore, the evidence from the Teck Resources coal mines in the Elk Valley paints a disturbing picture of the probable outlook for Alberta if coal mining is permitted. The Teck mines to the West have a terrible track record of selenium pollution and despite more than a billion dollars worth of water management investments and in excess of \$60 million in fines, contamination of the waterways continues to be a major issue in Canada and across the border in Montana.

Likewise, the Alberta government's own water monitoring evidence from downstream rivers and creeks in the Hinton coal mining area is equally disturbing. Although water monitoring was stopped

in that region in 2016, government reports show that even years after many of the mines were closed contaminant levels in the McLeod River, Gregg River and Luscar Creek continue to dramatically exceed allowed levels. For example, selenium levels far downstream of the mines were eight to ten times higher than the upstream water.

Economic Costs and Benefits

The primary argument put forward by coal companies and other proponents for coal mining is the prospect of significant economic benefits. There is not, however, any evidence to back up such expectations. In fact, most available evidence is to the contrary.

Results elsewhere have shown that the benefits forecast at the start of a coal project rarely, if ever, materialize. Independent economist, Robyn Allen and others recently released a study of coal mines in NE BC, where coal seams are fairly similar to those of SW Alberta. The mines failed to deliver the claimed benefits in terms of jobs, regional economic impacts, taxes, etc. One mine, for example, during the project application stage forecast tax payments of \$250 million. Almost twenty years later the actual taxes paid were zero.

Likewise, the study found that less than 60% of the promised jobs materialized and that due to the boom and bust nature of the coal mining industry, workers faced layoffs as mines were put on care and maintenance. This is consistent with previous Alberta coal mine experience.

Benga did not look at what adverse effects might occur if the mine proceeds, nor did they put their economic claims in perspective. Alberta does not currently require a full cost/benefit analysis for proposed coal mines as part of their decision-making criteria. However, the following information is helpful in considering the potential costs, benefits and risks. Many of Alberta's most critical sustainable industries are not compatible with open-pit coal mines.

- Currently, coal mining in Alberta supports 1520 jobs. The contribution to GDP is so small the Government does not even list it in their statistical summary.
- The film industry, which often relies on Alberta scenery, will support 9,000 jobs and spend \$450M this year (CBC reports, August 2021).
- Tourism, much of which is largely focused on the mountains and foothills, supports the equivalent of 68,000 full time jobs in Alberta and contributes several billion dollars to the GDP.
- Agri-business, which has a presence throughout Alberta but is particularly prominent in the irrigated areas near Lethbridge, supports 70,000 jobs. It also contributes several billion dollars of GDP each year.

Other economic risks include the financial viability of the coal companies and their long-term ability to fulfill reclamation and ongoing environmental management responsibilities.